GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:50
ANSWERED ON:15.11.2007
FOREIGN DIRECT INVESTMENT IN THE PETROLEUM SECTOR
Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a proposal regarding allowing hundred percent Foreign Direct Investment in the Petroleum Sector of the country is under consideration of the Government;

(b) if so, the facts in this regard and whether the said proposal was received from any oil companies;

(c) if so, the names of those companies; and

(d) if not, the reasons for considering the said proposal?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) Foreign Direct Investment (FDI) Policy including policy for Petroleum and Natural Gas Sector, is reviewed on a continuous basis.

(b) to (d) In terms of Press Note No.4 (2006) Series dated 10.02.2006 of Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, for the Petroleum Sector, Foreign Direct Investment (FDI) up to hundred percent for all activities other than refining and including market study and formulation, investment/financing, setting up infrastructure for marketing in Petroleum and Natural Gas Sector is permissible through Foreign Investment Promotion Board subject to sectoral regulations issued by the Ministry of Petroleum & Natural Gas. For the refining sector, FDI up to 26% in case of Public Sector Undertakings is permissible through Foreign Investment Promotion Board. However, FDI up to hundred percent in the refining sector is permitted through the automatic route in case of private companies.